

499.2 Definitions.

“*Agricultural associations*” are those formed to produce, grade, blend, preserve, process, store, warehouse, market, sell, or handle an agricultural product, or a by-product of an agricultural product; to produce ethanol; to purchase, produce, sell, or supply machinery, petroleum products, equipment, fertilizer, supplies, business services, or educational service to or for those engaged as bona fide producers of agricultural products; to finance any such activities; or to engage in any cooperative activity connected with or for any number of these purposes.

“*Agricultural products*” include horticultural, viticultural, forestry, dairy, livestock, poultry, bee and any other farm products.

“*Association*” means a corporation formed under this chapter.

A “*cooperative association*” is one which deals with or functions for its members at least to the extent required by section 499.3; and which distributes its net earnings among its members in proportion to their dealings with it, except for limited dividends or other items permitted in this chapter; and in which each voting member has one vote and no more.

“*Local deferred patronage dividends*” of an association means that portion of each member’s deferred patronage dividends described in section 499.30 which the board of directors of the association has determined arise from earnings of the association other than earnings which have been allocated to the association but which have not been paid in cash to the association by other cooperative organizations of which the association is a member. However, if the board of directors fails to make a determination with respect to a deceased member’s deferred patronage dividends prior to the member’s death, then “local deferred patronage dividends” means that portion of the member’s deferred patronage dividends which is proportional to the deferred patronage dividends described in section 499.30 less the amount of undistributed net earnings which have been allocated to the association by other cooperative organizations of which the association is a member, compared to all deferred patronage dividends of the association.

“*Local deferred patronage preferred stock*” of an association means preferred stock, if any, of an association which has been issued in exchange for local deferred patronage dividends. If preferred stock has been issued in exchange for deferred patronage dividends prior to the time the board of directors of the association has determined the portion of each member’s deferred patronage dividend which represents local deferred patronage dividends, then the board of directors may reasonably determine what portion of the preferred stock was issued in exchange for local deferred patronage dividends and the portion which was issued for other deferred patronage dividends.

“*Member*” refers not only to members of nonstock associations but also to common stockholders of stock associations, unless the context of a particular provision otherwise indicates.

[C35, §8512-g2; C39, §8512.02; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.2]
86 Acts, ch 1196, §1; 88 Acts, ch 1026, §1; 92 Acts, ch 1099, §9